



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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~~18 AUGUST 1965~~
~~TOP SECRET~~

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DAILY BRIEF
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1. South Vietnam

The communique issued on Premier Ky's departure from Taipei today refers only vaguely to "strengthening military cooperation" between South Vietnam and Nationalist China. We suspect, however, that arrangements may have been made to expand relations [redacted]

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The Vietnamese avoided endorsing Chiang Kai-shek's thesis that peace in Asia can only be obtained by destroying the Peiping regime.

[redacted] possibly two Viet Cong regiments are in the general area of the new US Marine operations south of Chu Lai. The Marines have reported they are engaged with at least a regiment.

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We have received the first indication that elements of a battalion of the North Vietnamese [redacted] may now be in South Vietnam.

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[redacted] four men from this unit, who were captured in mid-March by Laotian Government troops, said that they had been told they were going to South Vietnam.

2. North Vietnam

Another new radar type has been identified at one of the surface-to-air missile sites southwest of Hanoi.

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[redacted]
 The possible new surface-to-air missile site referred to in yesterday's Brief has been identified in photography as a truck park.

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3. Kashmir

India has sent some additional forces into the Kashmir area, but the military situation is largely static.

A brigade has reportedly been moved up from the Bombay area and more armed police have been flown in. Neither side, however, is known to have taken major steps to improve its alert position.

Karachi Radio today said that Pakistan regrets Shastri's decision to cancel high-level Indian-Pakistani talks on the Kutch cease-fire, but "acquiesces" in this suggestion.

4. Malaysia

Malaysian leader Tunku Abdul Rahman is trying to conciliate the disaffected leaders in Sabah and Sarawak, but there is a real question as to Malaysia's interest in retaining ties with these backward Borneo states.

In Sabah, moderate elements so far have been successful in preventing a breakaway, but the State Council is still debating the question. The secessionist leader, Donald Stephens, has followed through with his threats and has resigned his cabinet post.

Sarawak's powerful opposition parties have begun clamoring for a plebiscite, which they apparently believe would favor withdrawal.

5. Dominican Republic

The rebels have agreed "in principle" to let the provisional president handle the military leadership problem after the new government takes over. However, the rebels are still trying to get prior agreement from Garcia Godoy to permit all rebel military to rejoin the armed forces. They also want a commitment from Garcia that the present high command will be ousted.

Another issue--the length of the time the Inter-American Peace Force will remain in the country--is far from settled.

6. USSR

The USSR will apparently have to make heavy withdrawals from its gold reserves to finance wheat imports.

Sales of \$100 million have now been reported and the Soviets are continuing their activities in the market. As a result, reserves may well drop beyond the 1964 all-time low of \$1.5 billion.

Wheat production is now tentatively estimated to be between 10 and 20 percent less than last year's 58 million tons. Additional imports--beyond the 7 million tons already contracted for--may be necessary.

7. Greece

The King called on Elias Tsirimokos today to try to form a new government. It would seem to be touch and go, however, whether he will be able to muster enough support to win a vote of confidence.

Tsirimokos, 58, is one of the leaders of the left wing of Papandreou's Center Union party. A socialist, he has long had ties with various Communist-front organizations.

Over the years, Tsirimokos has spoken out strongly against the Marshall Plan and the Truman Doctrine. Basically, he is [redacted] ready to change his political line to meet the needs of the moment without departing too far from his leftist orientation.

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